

**U.S. DEPARTMENT OF DEFENSE
SMALL BUSINESS TECHNOLOGY TRANSFER (STTR) PROGRAM**

PROGRAM SOLICITATION FY11.A

Closing Date: March 30, 2011, at 6:00 am EST

Participating DoD Components:

- Department of the Army
- Department of the Navy
- Missile Defense Agency

IMPORTANT

Deadline for Receipt: Proposals must be completely submitted by **6:00 am** EST, March 30, 2011.

Classified proposals are not accepted under the DoD STTR Program.

Solicitation Changes: Phase I Proposal Format (see [section 3.5](#)), Phase II Proposal Format (see [section 3.7](#)), Questions About STTR and Solicitation Topics (see [section 1.5](#)), Company Commercialization Report (see [section 3.5d](#)), Evaluation Criteria – Phase I (see [section 4.2](#)), Evaluation Criteria – Phase II (see [section 4.3](#)), Assessing Commercial Potential of Proposals (see [section 4.4](#)), Fast Track (see [section 4.5](#)), Phase II Enhancement Policy (see [section 4.6](#)), Research Involving Human Subjects (see [section 2.19](#)), Research Involving Animal Subjects (see [section 2.20](#)), Research Involving Recombinant DNA Molecules (see [section 2.21](#)), Contractor Commitments (see [section 5.11](#)), Additional Information (see [section 5.14g](#))

SBIR/STTR Updates and Notices. To be notified of SBIR/STTR opportunities and to receive e-mail updates on the DoD SBIR and STTR Programs, you are invited to subscribe to the DoD SBIR/STTR ListServ by e-mailing sbirlist@listserv.dodsbir.net.

Help Desk. If you have questions about the Defense Department's SBIR or STTR Programs, please call the SBIR/STTR Help Desk at 866-SBIRHLP (866-724-7457), or visit the DoD SBIR/STTR Web site, at <http://www.acq.osd.mil/osbp/sbir>, or the DoD SBIR/STTR Resource Center at <http://www.dodsbir.net/>.

U.S. Department of Defense
STTR Program Office
Washington, D.C. 20301

January 27, 2011: Solicitation issued for pre-release

February 28, 2011: DoD begins accepting proposals

March 30, 2011: Deadline for receipt of proposals at **6:00 am** EST

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DoD PROGRAM SOLICITATION FOR SMALL BUSINESS TECHNOLOGY TRANSFER

1.0 PROGRAM DESCRIPTION

1.1 Introduction

The Army, Navy, and Missile Defense Agency (MDA), hereafter referred to as Department of Defense (DoD) Components, invite small business firms and research institutions to jointly submit proposals under this solicitation for the Small Business Technology Transfer (STTR) Program. The STTR Program is a program under which awards are made to small business concerns for cooperative research and development, conducted jointly by a small business and a research institution, through a uniform process having three phases. STTR, although modeled substantially on the Small Business Innovation Research (SBIR) Program, is a separate program and is separately financed. Subject to availability of funds, DoD Components will support high quality cooperative research and development proposals of innovative concepts to solve the listed defense-related scientific or engineering problems, especially those concepts that also have high potential for commercialization in the private sector.

The STTR Program is designed to provide a strong incentive for small companies and researchers at research institutions, i.e., non-profit research institutions, contractor-operated federally funded research and development centers (FFRDCs), and universities, to work together as a team to move ideas from the research institution to the marketplace, to foster high-tech economic development, and to address the technological needs of our armed forces. (See [DoD's Critical Technology Areas](#))

Partnerships between small businesses and Historically Black Colleges and Universities (HBCUs) or Minority Institutions (MIs) are encouraged, although no special preference will be given to STTR proposals from such offerors.

The Federal STTR Program is mandated by Public Laws 102-564, 107-50, and 111-84. The basic design of the DoD STTR Program is in accordance with the Small Business Administration (SBA) STTR Policy Directive of 2005. The DoD Program presented in this solicitation strives to encourage scientific and technical innovation in areas specifically identified by DoD Components. The guidelines presented in this solicitation incorporate and exploit the flexibility of the SBA Policy Directive to encourage proposals based on scientific and technical approaches most likely to yield results important to DoD and the private sector.

1.2 Three Phase Program

This program solicitation is issued pursuant to the Small Business Research and Development Enhancement Act of 1992, PL 102-564 and PL 111-84. Phase I is to determine the scientific, technical and commercial merit and feasibility of the proposed cooperative effort and the quality of performance of the small business concern with a relatively small investment before consideration of future DoD support in Phase II. Several different proposed solutions to a given topic may be funded. Proposals will be evaluated on a competitive basis giving primary consideration to the scientific and technical merit of the proposal along with its potential for commercialization. Phase I awards may be limited to \$100,000 in size over a period not to exceed one year.

Subsequent Phase II awards will be made to firms on the basis of results of their Phase I effort and the scientific, technical merit and commercial potential of their Phase II proposal. Phase II awards may be limited to \$750,000 in size over a period generally not to exceed 24 months (subject to negotiation). Phase II is the principal research or research and development effort and is expected to produce a well-defined deliverable product or process.

Under Phase III, the small business is expected to use non-federal capital to pursue private sector applications of the research or development. Also, under Phase III, federal agencies may award non-STTR funded follow-on contracts for products or processes which meet the mission needs of those

agencies.

This solicitation is for Phase I proposals only. Only proposals submitted in response to topics in this solicitation will be accepted and considered for Phase I award. For Phase II, no separate solicitation will be issued and no unsolicited proposals will be accepted. Only those firms that were awarded Phase I contracts are eligible to participate in Phases II and III.

DoD is not obligated to make any awards under either Phase I, II, or III and all awards are subject to the availability of funds. DoD is not responsible for any monies expended by the proposer before award of any contract.

1.3 Proposer Eligibility and Limitations

Each proposer must qualify as a small business for research or research and development purposes as defined in Section 2.3 and certify to this on the Cover Sheet of the proposal. In addition, a minimum of 40% of each STTR project must be carried out by the small business concern and a minimum of 30% of the effort performed by the research institution, as defined in Section 2.4. The percentage of work is usually measured by both direct and indirect costs, although proposers planning to subcontract a significant fraction of their work should verify how it will be measured with their DoD contracting officer during contract negotiations. The principal investigator must be primarily employed with the small business firm or the research institution. At the time of award of a Phase I or Phase II contract, the small business concern must have at least one employee in a management position whose primary employment is with the small business and who is not also employed by the research institution. Primary employment means that more than one half (50%) of the employee's time is spent with the small business. Primary employment with a small business concern precludes full-time employment at another organization. For both Phase I and Phase II, all research or research and development work must be performed by the small business concern and its subcontractors in the United States.

A small business concern must negotiate a written agreement between the small business and the research institution allocating intellectual property rights and rights to carry out follow-on research, development, or commercialization (see: [Model Agreement for the Allocation of Rights](#)).

Joint ventures and limited partnerships are permitted for the small business portion, provided that the entity created qualifies as a small business in accordance with the Small Business Act, 15 USC 631, and the definition included in Section 2.3.

1.4 Conflicts of Interest

Awards made to firms owned by or employing current or previous Federal Government employees could create conflicts of interest for those employees in violation of Federal law. Such proposers should contact the cognizant Ethics Counselor from the employees' Government agency for further guidance.

1.5 Questions about STTR and Solicitation Topics

a. General STTR Questions/Information

- (1) **Help Desk.** The DoD SBIR/STTR Help Desk is prepared to address general questions about this solicitation, the proposal preparation and electronic submission process, contract negotiation, payment vouchers, Government accounting requirements, intellectual property protection, the Fast Track, financing strategies, and other program-related areas. The Help Desk may be contacted from 8:00 am to 5:00 pm EST at:

Phone: 866-SBIRHLP (866-724-7457)

E-mail: www.dodsbir.net/helpdesk

- (2) **Web Sites.** The DoD SBIR/STTR Web site at www.acq.osd.mil/osbp/sbir offers electronic access to STTR and SBIR solicitations, answers to commonly asked questions, sample proposals, model contracts, abstracts of ongoing projects, the latest updates on the SBIR and STTR Programs, hyperlinks to sources of business assistance and financing, and other useful information.

The DoD SBIR/STTR Resource Center at www.dodsbir.net mirrors the most frequently accessed information on the DoD SBIR/STTR Web site:

- SBIR and STTR Solicitations are posted at www.dodsbir.net/solicitation
 - Topics Search engine is available at www.dodsbir.net/topics
 - Technical Q&A through SITIS is available at www.dodsbir.net/sitis
 - Electronic Proposal Submission for Phase I and II is through the Submission site at www.dodsbir.net/submission. Firms submitting through this site for the first time will be asked to register with their tax ID number and supply a point of contact at the firm.
 - Phase I proposal Selections are posted at www.dodsbir.net/selections, generally 5 months after the solicitation close.
 - All Phase I and II awards made since the inception of the SBIR and STTR Programs may be searched by keywords or company name at www.dodsbir.net/awards.
- (3) **Tutorial.** An on-line tutorial on how to prepare and submit a proposal to the DoD SBIR/STTR Program is available at the Resource Center Web site at www.dodsbir.net. It is a practical guide for beginners and a quick reference for more experienced participants.
- (4) **ListServ.** The DoD maintains a ListServ e-mail broadcast service. To stay in touch with STTR and SBIR opportunities and receive notices about upcoming conferences and solicitations, subscribe by e-mailing sbirlist@listserv.dodsbir.net and typing SUBSCRIBE in the subject field of the message, or visit the Resource Center at www.dodsbir.net.

- b. **General Questions about a DoD Component.** General questions pertaining to a particular DoD Component should be submitted in accordance with the instructions given at the beginning of that Component's topics, in Section 8.0 of this solicitation. Hyperlinks to Component SBIR/STTR Web sites are available from the DoD SBIR/STTR Web site (above).

c. **Technical Questions about Solicitation Topics**

- (1) **Direct Contact with Topic Authors.** From January 27, 2011 through February 27, 2011, this solicitation is issued for pre-release on the DoD SBIR/STTR Web site with the names of the topic authors and their phone numbers and e-mail addresses. During this period, proposers have an opportunity to contact topic authors by telephone or e-mail to ask technical questions about specific solicitations topics. Questions should be limited to specific information related to improving the understanding of a particular topic's requirements. Offerors may not ask for advice or guidance on solution approach, nor submit additional material to the topic author. If information given in response to a question is deemed necessary for the preparation of proposals, that information will be made available to the public through SITIS. Afterwards, questions must be asked through SITIS, described below.

- (2) **SITIS.** Once DoD begins accepting proposals on February 28, 2011, no further direct contact between proposers and topic authors is allowed; however, proposers may submit written questions through the SBIR/STTR Interactive Topic Information System (SITIS) at www.dodsbir.net/sitis. In SITIS, the questioner and respondent remain anonymous and all questions and answers are posted electronically for general viewing. Questions are limited to technical information related to improving the understanding of a particular topic's requirements; any other questions, such as those asking for advice or guidance on solution approach, will not receive a response.

Instructions: Locate the topic to which you want to submit a technical question by using the SITIS Quick Scan feature on this Web site. Then, using the form at the bottom of the topic description page, enter and submit your question. Answers are generally posted within seven working days of question submission. (Answers will also be e-mailed directly to the inquirer if the inquirer provides an e-mail address.)

The SITIS service for this solicitation opens on January 27, 2011, and closes to new questions on March 16, 2011. All questions and answers will be posted from January 27, 2011, through March 29, 2011. All proposers are advised to monitor SITIS during the solicitation period for questions and answers, and other information relevant to the topic under which they are proposing.

1.6 SBIR/STTR Conferences and Outreach

The DoD participates in National SBIR/STTR Conferences and many state-organized conferences for small business. For information on these events, see "[Conferences](#)" on our Web site or Resource Center. We have a special outreach effort to women-owned small businesses and socially and economically disadvantaged small businesses and research institutions.

2.0 DEFINITIONS

The following definitions apply for the purposes of this solicitation:

2.1 Research or Research and Development

Any activity that is:

Basic Research - Scientific study and experimentation to provide fundamental knowledge required for the solution of problems.

Exploratory Development - A study, investigation or minor development effort directed toward specific problem areas with a view toward developing and evaluating the feasibility and practicability of proposed solutions.

Advanced Development - Proof of design efforts directed toward projects that have moved into the development of hardware for test.

Engineering Development - Full-scale engineering development projects for DoD use but which have not yet received approval for production.

For the purposes of Human Research Protection, "research" is defined as a systematic investigation including RDT&E, designed to develop generalizable knowledge (32 CFR 219).

2.2 Cooperative Research and Development

For the purposes of the STTR Program this means research and development conducted jointly by a small business concern and a research institution in which not less than 40% of the work is performed by the small business concern, and not less than 30% of the work is performed by the research institution. The percentage of work is usually measured by both direct and indirect costs; however, proposers should verify how it will be measured with their DoD contracting officer during contract negotiations.

2.3 Small Business Concern.

A small business concern is one that, at the time of award of Phase I and Phase II, meets all of the following criteria:

- a. Is independently owned and operated, is not dominant in the field of operation in which it is proposing, has a place of business in the United States and operates primarily within the United States or makes a significant contribution to the US economy, and is organized for profit.
- b. Is (a) at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States or (b) it must be a for-profit business concern that is at least 51% owned and controlled by another for-profit business concern that is at least 51% owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the United States.
- c. Has, including its affiliates, an average number of employees for the preceding 12 months not exceeding 500, and meets the other regulatory requirements found in 13 CFR Part 121. Business concerns are generally considered to be affiliates of one another when either directly or indirectly, (a) one concern controls or has the power to control the other; or (b) a third-party/parties controls or has the power to control both.

Control can be exercised through common ownership, common management, and contractual relationships. The term "affiliates" is defined in greater detail in 13 CFR 121.103. The term "number of employees" is defined in 13 CFR 121.106.

A business concern may be in the form of an individual proprietorship, partnership, limited liability company, corporation, joint venture, association, trust, or cooperative. Further information may be obtained at <http://sba.gov/size>, or by contacting the Small Business Administration's Government Contracting Area Office or Office of Size Standards.

2.4 Research Institution.

Any organization located in the United States that is:

- a. A university.
- b. A nonprofit institution as defined in section 4(5) of the Stevenson-Wydler Technology Innovation Act of 1980.
- c. A contractor-operated federally funded research and development center, as identified by the National Science Foundation in accordance with the government-wide Federal Acquisition Regulation issued in accordance with section 35(c)(1) of the Office of Federal Procurement Policy Act. ([Click here](#) for a list of eligible FFRDCs.)

2.5 Socially and Economically Disadvantaged Small Business Concern

A socially and economically disadvantaged small business concern is one that is at least 51% owned and controlled by one or more socially and economically disadvantaged individuals, or an Indian tribe, including Alaska Native Corporations (ANCs), a Native Hawaiian Organization (NHO), or a Community Development Corporation (CDC). Control includes both the strategic planning (as that exercised by boards of directors) and the day-to-day management and administration of business operations. See 13 CFR 124.109, 124.110, and 124.111 for special rules pertaining to concerns owned by Indian tribes (including ANCs), NHOs, or CDCs, respectively.

2.6 Women-Owned Small Business Concern

A small business concern that is at least 51% owned and controlled by a woman or women. Control includes both the strategic planning (as that exercised by boards of directors) and the day-to-day management and administration of business operations.

2.7 Funding Agreement

Any contract, grant, or cooperative agreement entered into between any Federal Agency and any small business concern for the performance of experimental, developmental, or research work funded in whole or in part by the federal Government. *Only the contract method will be used by DoD Components for all STTR awards.*

2.8 Subcontract

A subcontract is any agreement, other than one involving an employer-employee relationship, entered into by an awardee of a funding agreement calling for supplies or services for the performance of the original funding agreement. This includes consultants. See Section 3.5.b(9).

2.9 Commercialization

The process of developing marketable products or services and delivering products and services for sale (whether by the originating party or by others) to Government or commercial markets.

2.10 Essentially Equivalent Work

This occurs when (1) substantially the same research is proposed for funding in more than one contract proposal or grant application submitted to the same Federal agency; (2) substantially the same research is submitted to two or more different Federal agencies for review and funding consideration; or (3) a specific research objective and the research design for accomplishing an objective are the same or closely related in two or more proposals or awards, regardless of the funding source.

2.11 HBCU/MI

Listings for the Historically Black Colleges and Universities (HBCU) and Minority Institutions (MI) are available through the Department of Education Web site, <http://www.ed.gov/about/offices/list/ocr/edlite-minorityinst.html>

2.12 Historically Underutilized Business Zone (HUBZone) Small Business Concern

HUBZone small business concern means a small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration. See www.sba.gov/hubzone for more details.

2.13 Service-Disabled Veteran

A veteran with a disability that is service connected as defined in section 101 (16) of title 38, United States Code.

2.14 Small Business Concern Owned and Controlled by Service-Disabled Veterans

A small business concern that:

- a. not less than 51% of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51% of the stock of which is owned by one or more service-disabled veterans; and
- b. the management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such a veteran.

2.15 Small Business Concern Owned and Controlled by Veterans

A small business concern that:

- a. not less than 51% of which is owned by one or more veterans or, in the case of any publicly owned business, not less than 51% of the stock of which is owned by one or more; and
- b. the management and daily business operations of which are controlled by one or more veterans.

2.16 United States

"United States" means the fifty states, the territories and possessions of the Federal Government, the Commonwealth of Puerto Rico, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and the District of Columbia.

2.17 Manufacturing-related R&D as a Result of Executive Order 13329

Encompasses improvements in existing methods or processes, or wholly new processes, machines or systems. Four main areas include:

1. *Unit process level technologies* that create or improve manufacturing processes including:
 - Fundamental improvements in existing manufacturing processes that deliver substantial productivity, quality, or environmental benefits.
 - Development of new manufacturing processes, including new materials, coatings, methods, and associated practices.
2. *Machine level technologies* that create or improve manufacturing equipment, including:
 - Improvements in capital equipment that create increased capability (such as accuracy or repeatability), increased capacity (through productivity improvements or cost reduction), or increased environmental efficiency (safety, energy efficiency, environmental impact)
 - New apparatus and equipment for manufacturing, including additive and subtractive manufacturing, deformation and molding, assembly and test, semiconductor fabrication, and nanotechnology.
3. *Systems level technologies* for innovation in the manufacturing enterprise, including:
 - Advances in controls, sensors, networks, and other information technologies that improve the quality and productivity of manufacturing cells, lines, systems, and facilities.
 - Innovation in extended enterprise functions critical to manufacturing, such as quality systems, resource management, supply change integration, and distribution, scheduling and tracking.
 - Technologies that enable integrated and collaborative product and process development, including computer-aided and expert systems for design, tolerancing, process and materials selection, life-cycle cost estimation, rapid prototyping, and tooling.
4. *Environment or societal level technologies* that improve workforce abilities, productivity, and manufacturing competitiveness, including:
 - Technologies for improved workforce health and safety, such as human factors and ergonomics
 - Technologies that aid and improve workforce manufacturing skill and technical excellence, such as educational systems incorporating improved manufacturing knowledge and instructional methods

2.18 Foreign National (also known as Foreign Persons) means any person who is NOT:

- a. a citizen or national of the United States; or
- b. a lawful permanent resident; or
- c. a protected individual as defined by 8 U.S.C.1324b(a)(3).

"Lawful permanent resident" is a person having the status of having been lawfully accorded the privilege of residing permanently in the United States as an immigrant in accordance with the immigration laws and such status not having changed.

"Protected individual" is an alien who is lawfully admitted for permanent residence, is granted the status of an alien lawfully admitted for temporary

residence under 8 U.S.C.1160(a) or 8 U.S.C.1255a(a)(1), is admitted as a refugee under 8 U.S.C.1157, or is granted asylum under section 8 U.S.C.1158; but does not include (i) an alien who fails to apply for naturalization within six months of the date the alien first becomes eligible (by virtue of period of lawful permanent residence) to apply for naturalization or, if later, within six months after November 6, 1986, and (ii) an alien who has applied on a timely basis, but has not been naturalized as a citizen within 2 years after the date of the application, unless the alien can establish that the alien is actively pursuing naturalization, except that time consumed in the Service's processing the application shall not be counted toward the 2-year period.”

2.19 Research Involving Human Subjects

All research involving human subjects shall be conducted in accordance with 32 CFR 219 “The Common Rule”, 10 USC 980 “Limitation on Use of Humans as Experimental Subjects”, and DoDD 3216.02 “Protection of Human Subjects and Adherence to Ethical Standards in DoD-Supported Research”, as well as other applicable federal and state law and regulations, and DoD component guidance. Offerors must be cognizant of and abide by the additional restrictions and limitations imposed on the DoD regarding research involving human subjects, specifically as they regard vulnerable populations (DoDD 3216.02), recruitment of military research subjects (DoDD 3216.02), and informed consent and surrogate consent (10 USC 980) and chemical and biological agent research (DoDD 3216.02). Food and Drug Administration regulation and policies may also apply. A listing of the cited regulations is available at:

<http://www.acq.osd.mil/osbp/sbir/deskreference/QuickReference/researchhumansubject.htm>.

“Human use” protocols apply to all research that meets any of the following criteria:

- a. Any research involving intervention or an interaction with a living person that would not be occurring or would be occurring in some other fashion but for this research.
- b. Any research involving identifiable private information. This may include data/information/specimens collected originally from living individuals (broadcast video, web-use logs, tissue, blood, medical or personnel records, health data repositories, etc.) in which the identity of the subject is known, or the identity may be readily ascertained by the investigator or associated with the data/information/specimens.

2.20 Research Involving Animal Subjects

All activities involving animal subjects shall be conducted in accordance with DoDD 3216.1 “Use of Laboratory Animals in DoD Programs”, 9 CFR (parts 1-4) “Animal Welfare Regulations”, National Academy of Sciences Publication “Guide for the Care & Use of Laboratory Animals”, as amended, and the Department of Agriculture rules implementing the Animal Welfare Act as amended (7 U.S.C. 2131-2159), as well as other applicable federal and state law and regulation and DoD instructions. A listing of the cited regulations is available at:

<http://www.acq.osd.mil/osbp/sbir/deskreference/QuickReference/researchanimalsubject.htm>.

“Animal use” protocols apply to all activities that meet any of the following criteria:

- a. Any research, training, testing or experimentation involving a living animal or animals.

- b. An animal is defined as any live, vertebrate organism (non-human) that is being used or is intended for use in research, education, training or testing.
- c. A vertebrate is a member of the subphylum Vertebrata (within the phylum Chordata), specifically, those chordates with backbones or spinal columns.

2.21 Research Involving Recombinant DNA Molecules

Any recipient performing research involving recombinant DNA molecules and/or organisms and viruses containing recombinant DNA molecules shall comply with the National Institutes of Health "Guidelines for Research Involving Recombinant DNA Molecules," July 5, 1994 (59 FR34496), as amended. Recombinant DNA is defined as (i) molecules that are constructed outside living cells by joining natural or synthetic DNA segments to DNA molecules that can replicate in living cells or (ii) molecules that result from the replication of those described in (i) above. A listing of the cited regulations is available at:

<http://www.acq.osd.mil/osbp/sbir/deskreference/QuickReference/researchrecombinantdna.htm>.

3.0 PROPOSAL PREPARATION INSTRUCTIONS AND REQUIREMENTS

3.1 Proposal Requirements

A proposal to any DoD Component under the STTR Program is to provide sufficient information to persuade the DoD Component that the proposed work represents an innovative approach to the investigation of an important scientific or engineering problem and is worthy of support under the stated criteria.

The quality of the scientific or technical content of the proposal will be the principal basis upon which proposals will be evaluated. The proposed research or research and development must be responsive to the chosen topic, although need not use the exact approach specified in the topic (see Section 4.1). Any small business contemplating a bid for work on any specific topic should determine that (a) the technical approach has a reasonable chance of meeting the topic objective, (b) this approach is innovative, not routine, with potential commercial application and (c) the firm has the capability to implement the technical approach, i.e., has or can obtain people and equipment suitable to the task.

It should be recognized that while the STTR Program requires a small business and a research institution to undertake a project cooperatively, the Federal contract is with the small business. The small business, and not the research institution, is to provide satisfactory evidence that it will exercise management direction and control of the performance of the STTR funding agreement. Regardless of the proportion of the work or funding of each of the performers under the contract, the small business is to be primary contractor with overall responsibility for its performance.

Classified proposals are not accepted under the DoD SBIR Program. In the event that DoD Components identify topics that will involve classified work in Phase II, companies invited to submit a proposal must have or be able to obtain the proper facility and personnel clearances in order to perform Phase II work. For more information on facility and personnel clearance procedures and requirements, please visit the Defense Security Service Web site at: <http://www.dss.mil/index.html>. Click on “How Do I” for information on facility and personnel clearance procedures.

Proposers must be registered in the DoD Submission system at www.dodsbir.net/submission in order to prepare and submit proposals (see Section 6.1).

3.2 Proposal Checklist

Those responding to this solicitation should note the proposal preparation tips listed below:

- 1) Read and follow all instructions contained in this solicitation, including the instructions in Section 8.0 of the DoD Component to which you are applying.
- 2) Register your firm on the secure password-protected DoD Electronic Submission Web site (<http://www.dodsbir.net/submission>) and, as instructed on the Web site, prepare your proposal. A complete proposal consists of the proposal cover sheets, technical proposal, cost proposal, and Company Commercialization Report.
- 3) The proposal cost adheres to the Component criteria specified and the cost on the cover sheets matches the cost on the cost proposal.
- 4) The Project Abstract and other content provided on the cover sheets contains NO proprietary information. Mark proprietary information within the technical proposal as instructed in Section 5.6.
- 5) The content in the technical proposal, including the option (if applicable), includes the items in Section 3.5.b.
- 6) The header on each page of your technical proposal should contain your company name, topic number, and proposal number. (The header may be included in the one-inch margins).
- 7) The Company Commercialization Report is submitted online in accordance with Section 3.5.d. This report is required even if the firm has not received prior SBIR/STTR funding.

- 8) Limit your proposal to 25 pages (excluding the cost proposal and Company Commercialization Report) unless otherwise specified in the component instructions. NOTE: In this solicitation, MDA and the Army have established a 20-page limitation for proposals submitted in response to their topics.
- 9) Use a type size no smaller than a 10-point font.
- 10) The technical proposal shall not be in 2-column format.

Note: Public access to the Internet is available at most public libraries, local schools or a Small Business Development Center (SBDC) in your area. If you have any questions, please contact the DoD Help Desk 866-SBIRHLP (866-724-7457).

3.3 Proprietary Information

If information is provided which constitutes a trade secret, proprietary commercial or financial information, confidential personal information, or data affecting the national security, it will be treated in confidence to the extent permitted by law, provided it is clearly marked in accordance with Section 5.6. The cost proposal information, will be treated as proprietary whether or not it is indicated.

3.4 Limitations on Length of Proposal

This solicitation is designed to reduce the investment of time and cost to small firms in preparing a formal proposal. Those who wish to respond must submit a direct, concise, and informative research or research and development proposal of no more than 25 pages (no type smaller than 10-point on standard "8-1/2 x 11" paper with 1-inch margins), if no page limitation is otherwise specified in the Component instructions. Only the Proposal Cover Sheet (pages 1 and 2), the Technical Proposal (beginning with page 3), and any enclosures or attachments count toward the applicable 25-page limit. **NOTE: In this solicitation, MDA and the Army have established a 20-page limitation for proposals submitted in response to their topics.**

The Cost Proposal and Company Commercialization Report are excluded from the page limit. Promotional and non-project related discussion is discouraged. The space allocated to each will depend on the problem chosen and the principal investigator's approach. In the interest of equity, pages in excess of the applicable page limitation (including attachments, appendices, or references, but excluding the cost proposal and Company Commercialization Report) will not be considered for review or award. Additional information on Universal Resource Locator (URL) links, computer disks, CDs, DVDs, video tapes or any other medium will not be accepted or considered in the proposal evaluation unless otherwise specified in the Component instructions to which you are applying.

3.5 Phase I Proposal Format

a. **Proposal Cover Sheets.** On the DoD Electronic Submission Web site at: (www.dodsbir.net/submission), prepare Proposal Cover Sheets, including a brief technical abstract of the proposed R&D project and a discussion of anticipated benefits and potential commercial applications. Once you save the coversheet, the system will assign a proposal number. You may edit the coversheet as often as necessary until the solicitation closes. Your cover sheets will count as the first two pages of your proposal no matter how they print out. If your proposal is selected for award, the technical abstract and discussion of anticipated benefits will be publicly released on the Internet; therefore, do not include proprietary or classified information in these sections.

b. **Technical Proposal.** Create a single file that covers the following items in the order given below. Begin your technical proposal on Page 3 (since the cover sheets are pages 1 and 2) and put your firm name, topic number, and proposal number in the header of each page. (The header may be included

in the 1-inch margins.) The technical proposal file must be in Portable Document Format (PDF) for evaluation purposes. You cannot upload the technical proposal to the DoD Submission site until you have created a coversheet and been assigned a proposal number. Perform a virus check before uploading the technical proposal file. If a virus is detected, it may cause rejection of the proposal. The technical proposal should be a single file, including graphics and attachments (and cost proposal if not using the Web site's on-line cost proposal form). **Do not lock or encrypt the file you upload.**

- (1) **Identification and Significance of the Problem or Opportunity.** Define the specific technical problem or opportunity addressed and its importance. (Begin on Page 3 of your proposal.)
- (2) **Phase I Technical Objectives.** Enumerate the specific objectives of the Phase I work, including the questions it will try to answer to determine the feasibility of the proposed approach.
- (3) **Phase I Work Plan.**
 - (1) Provide an explicit, detailed description of the Phase I approach. If a Phase I option is required or allowed by the Component to which you are submitting, it should describe appropriate research activities which would commence at the end of the Phase I should the Component elect to exercise the option. The plan should indicate what is planned, how and where the work will be carried out, a schedule of major events, and the final product to be delivered. The Phase I effort should attempt to determine the technical feasibility of the proposed concept. The methods planned to achieve each objective or task should be discussed explicitly and in detail. This section should be a substantial portion of the total proposal.
 - (2) This solicitation may contain topics that have been identified by the program manager as research or activities involving Human/Animal Subjects and/or Recombinant DNA. In the event that Phase I performance includes performance of these kinds of research or activities, please identify the applicable protocols and how those protocols will be followed during Phase I. Please note that funds cannot be released or used on any portion of the project involving human/animal or recombinant DNA research or activities until all of the proper approvals have been obtained (reference Section 2.0 and 3.7).
- (4) **Related Work.** Describe significant activities directly related to the proposed effort, including any conducted by the principal investigator, the proposing firm, consultants, or others. Describe how these activities interface with the proposed project and discuss any planned coordination with outside sources. The proposal must persuade reviewers of the proposer's awareness of the state-of-the-art in the specific topic.

Describe previous work not directly related to the proposed effort but similar. Provide the following: (1) short description, (2) client for which work was performed (including individual to be contacted and phone number), and (3) date of completion.
- (5) **Relationship with Future Research or Research and Development.**
 - (1) State the anticipated results of the proposed approach if the project is successful.
 - (2) Discuss the significance of the Phase I effort in providing a foundation for Phase II research or research and development effort.
 - (3) Identify the applicable clearances, certifications, and approvals required to conduct Phase II testing and outline the plan for ensuring timely completion of said authorizations in support of Phase II research and development effort. (Reference sections 3.7 and 5.14.)

- (6) **Commercialization Strategy.** Describe in approximately one page your company's strategy for commercializing this technology in DoD, other Federal Agencies, and/or private sector markets. Provide specific information on the market need the technology will address and the size of the market. Also include a schedule showing the quantitative commercialization results from this STTR project that your company expects to achieve and when (i.e., amount of additional investment, sales revenue, etc. -- see Section 5.4).
- (7) **Key Personnel.** Identify key personnel who will be involved in the Phase I effort including information on directly related education and experience. A concise technical resume of the principal investigator, including a list of relevant publications (if any), must be included (please do not include Privacy Act information). All resumes will count toward the applicable page limitation. Identify any foreign citizens you expect to be involved as a direct employee, subcontractor, or consultant. For these individuals, please specify their country of origin, the type of visa or work permit under which they are performing and an explanation of their anticipated level of involvement on this project. You may be asked to provide additional information during negotiations in order to verify the foreign citizen's eligibility to participate on a SBIR or STTR contract. Supplemental information provided in response to this paragraph will be protected in accordance with Privacy Act (5 U.S.C. 552a), if applicable, and the Freedom of Information Act (5 U.S.C. 552(b)(6)).
- (8) **Facilities/Equipment.** Describe available instrumentation and physical facilities necessary to carry out the Phase I effort. Items of equipment to be purchased (as detailed in the cost proposal) shall be justified under this section. Also state whether or not the facilities where the proposed work will be performed meet environmental laws and regulations of federal, state (name), and local Governments for, but not limited to, the following groupings: airborne emissions, waterborne effluents, external radiation levels, outdoor noise, solid and bulk waste disposal practices, and handling and storage of toxic and hazardous materials.
- (9) **Subcontractors/Consultants.** All subcontractors, including the research institution partner, must be identified and described according to the [Cost Breakdown Guidance](#). The STTR Program may only make awards to small businesses; therefore, the research institution must have a subcontracting arrangement with the small business. More than one subcontractor is allowed; however, the small business must perform at least 40% of the effort and the research institution listed on Proposal Cover Sheet must perform at least 30% of the work. Subcontractor costs and consultant costs must be detailed at the same level as prime contractor costs in accordance with the [Cost Breakdown Guidance](#) (in regards to labor, travel, equipment, etc.). No portion of a STTR award may be subcontracted back to any Federal government agency, including military academies. SBA may issue a case-by-case waiver to this provision after review of the DoD Component's written justification that includes the following information: (a) an explanation of why the STTR research project requires the use of the Federal facility or personnel, including data that verifies the absence of non-federal facilities or personnel capable of supporting the research effort; (b) why the Agency will not and can not fund the use of the Federal facility or personnel for the STTR project with non-STTR money; and (c) the concurrence of the small business concern's chief business official to use the Federal facility or personnel. Award is contingent on the sponsoring agency obtaining a waiver.
- (10) **Prior, Current, or Pending Support of Similar Proposals or Awards.** *Warning* -- While it is permissible, with proposal notification, to submit identical proposals or proposals containing a significant amount of essentially equivalent work (see section 2.10) for consideration under numerous federal program solicitations, it is unlawful to enter into

contracts or grants requiring essentially equivalent effort. If there is any question concerning this, it must be disclosed to the soliciting agency or agencies before award.

If a proposal submitted in response to this solicitation is substantially the same as another proposal that has been funded, is now being funded, or is pending with another Federal Agency or DoD Component or the same DoD Component, the proposer must so indicate on the Proposal Cover Sheet and provide the following information:

- (a) Name and address of the Federal Agency(s) or DoD Component to which a proposal was submitted, will be submitted, or from which an award is expected or has been received.
- (b) Date of proposal submission or date of award.
- (c) Title of proposal.
- (d) Name and title of principal investigator for each proposal submitted or award received.
- (e) Title, number, and date of solicitation(s) under which the proposal was submitted, will be submitted, or under which award is expected or has been received.
- (f) If award was received, state contract number.
- (g) Specify the applicable topics for each STTR proposal submitted or award received.

Note: If Section 3.4.b(10) does not apply, state in the proposal "No prior, current, or pending support for proposed work."

- c. **Cost Proposal.** Complete the cost proposal in the format shown in the [Cost Breakdown Guidance](#), either using the on-line cost proposal form on the DoD Electronic Submission Web site or as the last page(s) of your technical proposal (the cost proposal will not be included in the proposal page limitation (see Section 3.4). Some items in the [Cost Breakdown Guidance](#) may not apply to the proposed project. If such is the case, there is no need to provide information on each and every item. What matters is that enough information be provided to allow the DoD Component to understand how the proposer plans to use the requested funds if the contract is awarded.

- (1) List all key personnel by name as well as by number of hours dedicated to the project as direct labor.
- (2) Special tooling and test equipment and material cost may be included under Phases I and II. The inclusion of equipment and material will be carefully reviewed relative to need and appropriateness for the work proposed. The purchase of special tooling and test equipment must, in the opinion of the Contracting Officer, be advantageous to the Government and should be related directly to the specific topic. These may include such items as innovative instrumentation and/or automatic test equipment. Title to property furnished by the Government or acquired with Government funds will be vested with the DoD Component, unless it is determined that transfer of title to the contractor would be more cost effective than recovery of the equipment by the DoD Component.
- (3) Cost for travel funds must be justified and related to the needs of the project.
- (4) Cost sharing is permitted for proposals under this solicitation; however, cost sharing is not required nor will it be an evaluation factor in the consideration of a Phase I proposal.
- (5) A Phase I Option (if applicable) should be fully costed separately from the Phase I (base) approach. For Phase I, the on-line cost proposal form (if applicable) will count as one page no matter how it prints out. Additional cost proposal information may be required at the end of your technical proposal (See Component Instructions, Section 8.0).
- (6) All subcontractor costs, including those of the research institution partner, and consultant costs must be detailed at the same level as prime contractor costs in regards to labor, travel, equipment, etc. Provide detailed substantiation of subcontractor costs (including the research institute partner) in your cost proposal. If you use the on-line cost proposal form, enter this information in the Explanatory Material section of the form.

When a proposal is selected for award, the proposer should be prepared to submit further documentation to its DoD contracting officer to substantiate costs (e.g., a brief explanation of cost estimates for equipment, materials, and consultants or subcontractors). For more information about cost proposals and accounting standards, see the DCAA publication called “Information for Contractors” available at www.dcaa.mil.

d. **Company Commercialization Report.** If your firm is submitting a Phase I or Phase II proposal, it is required to prepare a Company Commercialization Report through the password-protected DoD Electronic Submission Web site (www.dodsbir.net/submission). If you submit a proposal, you must submit a company commercialization report whether or not you have previously received SBIR or STTR awards. As instructed on the Web site, list in the Report the quantitative commercialization results of your firm's prior Phase II projects, including the items listed in section 5.4 of this solicitation (sales revenue, additional investment, etc.), as well as other information relative to your firm's commercialization track record. All prior Phase II projects must be reported, regardless of whether the project has any commercialization to date. The Web site will then compare these results to the historical averages for the DoD SBIR/STTR Program to calculate a Commercialization Achievement Index (CAI) value. Only firms with four or more Phase II projects that were awarded at least 2 years prior will receive a CAI score; otherwise the CAI is not applicable. (See the Company Commercialization Report section of the DoD Submission Web site for more details.) Firms with a CAI at the 20th percentile or below may receive no more than half of the evaluation points available for commercial potential criteria (see Section 4.4). This report need only be prepared once and submitted with all your proposals for this solicitation.

As noted on the Web site, your firm may also, at its option, include at the end of the Report additional, explanatory material (no more than five pages) relating to the firm's record of commercializing its prior SBIR or STTR projects, such as: commercialization successes (in government and/or private sector markets) that are not fully captured in the quantitative results (e.g. commercialization resulting from your firm's prior Phase I projects); any mitigating factors that could account for low commercialization; and recent changes in the firm's organization or personnel designed to increase the firm's commercialization success. The Company Commercialization Report and additional explanatory material (if any) will not be counted toward the applicable page limit for Phase I proposals. A report showing that a firm has received no prior Phase II awards will not affect the firm's ability to obtain an SBIR/STTR award.

e. **Agreement between the Small Business and Research Institution.** The small business must negotiate a written agreement with the research institution allocating intellectual property rights and rights, if any, to carry out follow-on research, development, or commercialization. The agreement must be finalized and signed by both parties no later than 15 calendar days after the small business receives notification that it has been selected for a Phase I STTR award, an event that occurs prior to actual award. The small business must submit this signed agreement to the awarding agency and certify with that submission, and in all subsequent proposals utilizing that agreement, that the agreement is satisfactory to the small business. Small businesses that fail to provide a signed agreement to the awarding agency either with their proposal, or within 18 calendar days (up to 15 days for signed agreement and 3 days for submittal to the Government) after notification of selection for award, may forfeit their selection.

The agreement should, as a minimum, state:

- (1) Specifically the degree of responsibility and ownership of any product, process, or other invention or innovation resulting from the cooperative research. The degree of responsibility shall include responsibility for expenses and liability, and the degree of ownership shall also include the specific rights to revenues and profits.
- (2) Which party may obtain U.S. or foreign patents or otherwise protect any inventions resulting from the cooperative research.

- (3) Which party has the right to any continuation of research including non-STTR follow-on awards.
See: [Model Agreement for the Allocation of Rights](#) for a guideline or model for such an agreement.

In addition, the signature of the Corporate Official of the small business concern AND the signature of the appropriate official of the research institution on this agreement constitute a joint certification that:

- (1) The proposing firm meets the definition of small business concern found in section 2.3, the proposing institution meets the definition of research institution found in section 2.4, and the proposed STTR project meets the definition of cooperative research and development as defined in section 2.2, and
- (2) Regardless of the proportion of the proposed project to be performed by each party, the small business concern will be the primary party that will exercise management direction and control of the performance of the STTR award.
- (3) At the time of award, the small business concern will have at least one employee in a management position whose primary employment is with the small business and who is not also employed by the research institution.

If the research institution is a contractor-operated Federally funded research and development center, the appropriate official signing for the contractor-operated Federally Funded Research and Development Center (FFRDC) certifies additionally that it:

- (4) Is free from organizational conflicts of interests relative to the STTR Program;
- (5) Did not use privileged information gained through work performed for an STTR agency or private access to STTR agency personnel in the development of this STTR proposal; and
- (6) Used outside peer review as appropriate, to evaluate the proposed project and its performance therein.

The Federal government will not normally be party to any agreement between the small business concern and the research institution. Nothing in the agreement is to conflict with any provisions setting forth the respective rights of the United States and the small business with respect to intellectual property rights and with respect to any right to carry out follow-on research. All agreements between the small business and the research institution cooperating in the STTR projects, or any business plans reflecting agreements and responsibilities between the parties during the performance of Phase I or II, or for the commercialization of the resulting technology, shall reflect the controlling position of the small business.

3.6 Page Numbering and Format

Number all pages of your proposal consecutively. The cover sheets are pages 1 and 2. The technical proposal begins on page 3. Use no type smaller than 10-point on standard 8½” x 11½” paper with one-inch margins. The header on each page of the technical proposal should contain your company name, topic number, and proposal number assigned by the DoD submission website when the coversheet was created. The header may be included in the one-inch margin.

3.7 Phase II Proposal Format

This solicitation is for Phase I only. A Phase II proposal can be submitted only by a Phase I awardee and only in response to a request from the agency; that is, Phase II is not initiated by this solicitation.

a) **Prior, Currents, or Pending Support of Similar Proposals or Awards.** *Warning* -- While it is permissible, with proposal notification, to submit identical proposals or proposals containing a significant amount of essentially equivalent work (see section 2.10) for consideration under numerous federal program solicitations, it is unlawful to enter into contracts or grants requiring essentially equivalent effort. If there is any question concerning this, it must be disclosed to the soliciting agency or agencies before award. If a proposal submitted for a Phase II effort is substantially the same as another proposal that has

been funded, is now being funded, or is pending with another Federal Agency or DoD Component or the same DoD Component, the proposer must so indicate on the Proposal Cover Sheet and provide the information required in section 3.5b(10).

Each Phase II proposal must contain a Proposal Cover Sheet, technical proposal, cost proposal and a Company Commercialization Report (see Section 3.5). In addition, each Phase II proposal must contain a two-page commercialization strategy, addressing the following questions:

- (1) What is the first product that this technology will go into?
- (2) Who will be your customers, and what is your estimate of the market size?
- (3) How much money will you need to bring the technology to market, and how will you raise that money?
- (4) Does your company contain marketing expertise and, if not, how do you intend to bring that expertise into the company?
- (5) Who are your competitors, and what is your price and/or quality advantage over your competitors?

The commercialization strategy must also include a schedule showing the quantitative commercialization results from the Phase II project that your company expects to report in its Company Commercialization Report Updates one year after the start of Phase II, at the completion of Phase II, and after the completion of Phase II (i.e., amount of additional investment, sales revenue, etc. – see section 5.4).

b. Research Involving Human Subjects. All research involving human subjects, to include use of human biological specimens and human data, shall comply with the applicable federal and state laws and agency policy/guidelines for human subject protection (reference paragraph 2.16).

Institutions to be awarded funding for research involving human subjects must provide documentation of a current Assurance of Compliance with Federal regulations for human subject protection, for example a Department of Health and Human Services, Office for Human Research Protections Federalwide Assurance (<http://www.hhs.gov/ohrp>). Additional Assurance documentation may also be requested by the awarding DoD Component. All institutions engaged in human subject research, to include subcontractors, must also have a valid Assurance. In addition, personnel involved in human subjects research must provide documentation of completing appropriate training for the protection of human subjects. Institutions proposing to conduct human subject research that meets one of the exemption criteria in 32 CFR 219.101 are not required to have an Assurance of Compliance.

If selected, institutions must also provide documentation of Institutional Review Board (IRB) approval or a determination from an appropriate official in the institution that the work meets one of the exemption criteria with 32 CFR 219. As part of the IRB review process, evidence of appropriate training for all investigators should accompany the protocol. The protocol, separate from the proposals, must include a detailed description of the research plan, study population, risks and benefits of study participation, recruitment and consent process, data collection and data analysis.

The amount of time required for the IRB to review and approve the protocol will vary depending on such things as the IRB's procedures, the complexity of the research, the level of risk to study participants and the responsiveness of the Investigator. The average IRB approval process can last between one and three months. Once the IRB has approved the research, the DoD will review the protocol and the IRB's determination to ensure that the research will be conducted in compliance with DoD and DoD Component policies. The DoD review process can last between three to six months. Ample time should be allotted to complete both the IRB and the DoD approval processes prior to recruiting subjects. **No funding can be used towards human subjects research until ALL approvals are granted.**

c. Research Involving Animal Subjects. All research, development, testing, experimentation, education or training involving the use of animals shall comply with the applicable federal and agency rules on animal acquisition, transport, care, handling, and use (reference paragraph 2.17)

For submissions containing animal use, proposals should briefly describe plans for Institutional Animal Care and Use Committee (IACUC) review and approval.

All Recipients must receive IACUC approval as well as secondary or headquarters-level approval by DoD veterinarian who is trained or experienced in laboratory animal medicine and science. **No animal research may be conducted using DoD funding until all the appropriate DoD office(s) grant approval.**

d. Research Involving Recombinant DNA Molecules. All research involving recombinant DNA molecules shall comply with the applicable federal and state law, regulation and any additional agency guidance (reference paragraph 2.18). Research shall be approved by an Institutional Biosafety Committee.

e. Key Personnel. Refer to paragraph 3.5(b)(7) for directions on proposal content when non-U.S. citizens will be employed as direct employees, subcontractors, or consultants in support of this project.

f. Additional instructions regarding Phase II proposal preparation and submission will be provided or made available by DoD components to Phase I winners at time of Phase I award or Phase II proposal invitation.

3.8 False Statements

Knowingly and willfully making any false, fictitious, or fraudulent statements or representations may be a felony under the Federal Criminal False Statement Act (18 U.S.C. Sec 1001), punishable by a fine of up to \$10,000, up to five years in prison, or both.

4.0 METHOD OF SELECTION AND EVALUATION CRITERIA

4.1 Introduction

Phase I proposals will be evaluated on a competitive basis and will be considered to be binding for six (6) months from the date of closing of this solicitation unless the offeror states otherwise. If selection has not been made prior to the proposal's expiration date, offerors will be requested as to whether or not they want to extend their proposal for an additional period of time. Proposals meeting stated solicitation requirements will be evaluated by government scientific or technical personnel knowledgeable in the topic area. Proposals will be evaluated first on their relevance to the chosen topic. A proposal that meets the goals of a solicitation topic but does not use the exact approach specified in the topic will be considered relevant.

Proposals found to be relevant will then be evaluated using the criteria listed in Section 4.2. Final decisions will be made by the DoD Component based upon these criteria and consideration of other factors as listed below. A DoD Component may elect to fund several or none of the proposed approaches to the same topic. In the evaluation and handling of proposals, every effort will be made to protect the confidentiality of the proposal and any evaluations. There is no commitment by the DoD Components to make any awards on any topic, to make a specific number of awards or to be responsible for any monies expended by the proposer before award of a contract.

For proposals that have been selected for contract award, a Government Contracting Officer will draw up an appropriate contract to be signed by both parties before work begins. Any negotiations that may be necessary will be conducted between the offeror and the Government Contracting Officer. It should be noted that only a duly appointed contracting officer has the authority to enter into a contract on behalf of the U.S. Government.

Phase II proposals will be subject to a technical review process similar to Phase I. Final decisions will be made by DoD Components based upon the scientific and technical evaluations using the criteria listed in Section 4.3 and other factors as listed below. DoD is not responsible for any monies expended by the proposer before award of a contract.

Upon written request and after final award decisions have been announced, a debriefing will be provided to unsuccessful offerors on their proposals (See Section 6.5).

Restrictive notices notwithstanding, proposals may be handled, for administrative purposes only, by support contractors. All support contractors are bound by appropriate non-disclosure agreements.

4.2 Evaluation Criteria - Phase I

The DoD Components plan to select for award those proposals offering the best value to the Government and the nation considering the following factors which are listed in descending order of importance.

- a. The soundness, technical merit, and innovation of the proposed approach and its incremental progress toward topic or subtopic solution.
- b. The qualifications of the proposed principal/key investigators, supporting staff, and consultants. Qualifications include not only the ability to perform the research and development but also the ability to commercialize the results.
- c. The potential for commercial (Government or private sector) application and the benefits expected to accrue from this commercialization as assessed utilizing the criteria in Section 4.4.

Firms with a CAI at the 20th percentile or below may receive no more than half of the evaluation points available for commercial potential criteria (see Section 3.5d). Where technical evaluations are essentially equal in merit, cost to the Government will be considered in determining the successful offeror.

Technical reviewers will base their conclusions only on information contained in the proposal. It cannot be assumed that reviewers are acquainted with the firm or key individuals or any referenced experiments. Relevant supporting data such as journal articles, literature, including Government publications, etc., should be contained or referenced in the proposal and will count toward the applicable page limit.

4.3 Evaluation Criteria - Phase II

The Phase II proposal will be reviewed for overall merit based upon the criteria which are listed in descending order of importance, unless otherwise stated in the Component's instructions in Section 8.0 of this solicitation.

- a. The soundness, technical merit, and innovation of the proposed approach and its incremental progress toward topic or subtopic solution.
- b. The qualifications of the proposed principal/key investigators, supporting staff, and consultants. Qualifications include not only the ability to perform the research and development but also the ability to commercialize the results.
- c. The potential for commercial (Government or private sector) application and the benefits expected to accrue from this commercialization (see Sections 3.7 and 4.4).

Firms with a CAI at the 20th percentile or below may receive no more than half of the evaluation points available for commercial potential criteria (see Section 3.5d). The reasonableness of the proposed costs of the effort to be performed will be examined to determine those proposals that offer the best value to the Government. Where technical evaluations are essentially equal in merit, cost to the Government will be considered in determining the successful offeror.

Phase II proposal evaluation may include on-site evaluations of the Phase I effort by Government personnel.

Fast Track Phase II proposals. For projects that qualify for the Fast Track (as discussed in Section 4.5), DoD will evaluate the Phase II proposals under a separate, expedited process in accordance with the above criteria, and may select these proposals for Phase II award provided:

- (1) they meet or exceed criteria (a) and (b); and
- (2) the project has substantially met its Phase I technical goals

(and assuming budgetary and other programmatic factors are met, as discussed in Section 4.1). Fast Track proposals, having attracted matching cash from an outside investor, presumptively meet criterion (c). Selection and award of a Fast Track proposal is not mandated and DoD retains the discretion not to select or fund any Fast Track proposal.

4.4 Assessing Commercial Potential of Proposals

A Phase I or Phase II proposal's commercial potential will be assessed using the following criteria:

- a. The proposer's commercialization strategy (see Section 3.5) and, as discussed in that strategy:
 - (1) any commitments of additional investment in the technology during Phase II from the private sector, DoD prime contractors, non-SBIR/STTR DoD programs, or other sources, and
 - (2) any Phase III follow-on funding commitments; and
- b. The proposer's record of commercializing its prior SBIR and STTR projects, as shown in its Company Commercialization Report (see Section 3.5). If the "Commercialization Achievement Index" (CAI) shown on the first page of the Report is at the 20th percentile or below, the proposer will receive no more than half of the evaluation points available under evaluation criterion c in Sections 4.2 and 4.3 ("potential for commercialization"), unless the STTR Program manager for the DoD Component receiving the proposal recommends, in

writing, that an exception be made for that proposer, and the contracting officer approves the exception.

A Company Commercialization Report showing that the proposing firm has no prior Phase II awards will not affect the firm's ability to win an award. Such a firm's proposal will be evaluated for commercial potential based on its commercialization strategy in item a, above.

4.5 STTR Fast Track

The DoD SBIR/STTR Program has implemented a streamlined Fast Track process for SBIR/STTR projects that attract matching cash from an outside investor for the Phase II SBIR/STTR effort (as well as for the interim effort between Phases I and II). The purpose is to focus SBIR/STTR funding on those projects that are most likely to be developed into viable new products that DoD and others will buy and that will thereby make a major contribution to U.S. military and/or economic capabilities.

Projects that qualify under Fast Track may:

- (1) Receive interim funding of \$30,000 to \$50,000 between Phases I and II;
- (2) Be evaluated for Phase II award under a separate, expedited process; and
- (3) Be selected for Phase II award provided they meet or exceed a threshold of "technically sufficient" and have substantially met their Phase I technical goals (and assuming other programmatic factors are met), as described in Section 4.3.

Component Fast Track programs vary; see the Component instructions in Section 8.0 of this solicitation and the Fast Track section at www.dodsbir.net for more details. Fast Track applications must be prepared and submitted through the DoD SBIR/STTR Submission Web site at www.dodsbir.net/submission. DoD retains the discretion not to approve or fund any Fast Track application.

4.6 Phase II Enhancement Policy

To further encourage the transition of SBIR/STTR research into DoD acquisition programs as well as the private sector, each DoD Component has developed its own Phase II Enhancement policy. Under this policy, the Component will provide a Phase II company with additional Phase II SBIR/STTR funding if the company can match the additional SBIR/STTR funds with non-SBIR/STTR funds from DoD acquisition programs or the private sector.

Phase II projects that qualify under Phase II Enhancement may

- (1) Extend an existing Phase II contract for up to one year and
- (2) Receive additional SBIR/STTR funding up to \$500,000 to match third party non-SBIR/STTR funds, from either DoD non-SBIR/STTR programs or from an outside investor.

Phase II Enhancement requirements and matching rates vary by Component. See each Component's instructions in Section 8.0 of this solicitation and the Phase II Enhancement section of www.dodsbir.net for details. Phase II Enhancement applications must be prepared and submitted through the DoD SBIR/STTR Submission Web site at www.dodsbir.net/submission. DoD retains the discretion not to approve or fund any Phase II Enhancement application and to review contractor eligibility (defined in Section 1.3) at the time of selection.

5.0 CONTRACTUAL CONSIDERATIONS

Note: Eligibility and Limitation Requirements (Section 1.3) Will Be Enforced

5.1 Awards (Phase I)

- a. **Number of Phase I Awards.** The number of Phase I awards will be consistent with the agency's RDT&E budget, the number of anticipated awards for interim Phase I modifications, and the number of anticipated Phase II contracts. No Phase I contracts will be awarded until all qualified proposals (received in accordance with Section 6.2) on a specific topic have been evaluated. Normally proposers will be notified of selection/non-selection status for a Phase I award within 6 months of the proposal's closing date. Selections are posted at <http://www.dodsbir.net/selections>.
- b. **Type of Funding Agreement.** All winning proposals will be funded under negotiated contracts and may include a reasonable fee or profit consistent with normal profit margins provided to profit-making firms for R/R&D work. The firm fixed price, purchase order, or cost plus fixed fee type contract will be used for all Phase I projects (see Section 5.5).
- c. **Average Dollar Value of Awards.** P.L. 107-50 allows agencies to award Phase I contracts to small businesses generally up to \$100,000 without justification and not to exceed 12 months (subject to negotiation). The typical size of award varies across the DoD Components; it is therefore important for a proposer to read the introductory page of the Component to which it is applying (in Section 8.0) for any specific instructions regarding award size.
- d. **Timing of Phase I Awards.** Across DoD, the median time between the date that the STTR solicitation closes and the award of a Phase I contract is 4 months.

5.2 Awards (Phase II)

- a. **Number of Phase II Awards.** The number of Phase II awards will depend upon the results of the Phase I efforts and the availability of funds. The DoD Components anticipate that approximately 40% of its Phase I awards will result in Phase II projects. This is merely an advisory estimate and the government reserves the right and discretion not to award to any or to award less than this percentage of Phase II projects.
- b. **Type of Funding Agreement.** Each Phase II proposal selected for award will be funded under a negotiated contract and may include a reasonable fee or profit consistent with normal profit margins provided to profit-making firms for R/R&D work.
- c. **Average Dollar Value of Awards.** Average Phase II awards will typically cover 2 to 5 person-years of effort over a period generally not to exceed 24 months (subject to negotiation). PL 107-50 states that Phase II awards may be up to \$750,000 each without justification. See special instructions for each DoD Component in Section 8.
- d. **Timing of Phase II Awards.** Across DoD, the median time between DoD's receipt of a Phase II proposal and the award of a Phase II contract is 6.5 months, assuming that the offeror has an adequate accounting system. (Reference paragraph 5.14(i).)

5.3 Phase I Report

- a. **Content.** A final report is required for each Phase I project. The report must contain in detail the project objectives, work performed, results obtained, and estimates of technical feasibility. A completed SF 298, "Report Documentation Page", will be used as the first page of the report. (The Report Documentation Page may be prepared and printed from the DoD Electronic Submission Web site at www.dodsbir.net/submission) or use the DTIC (Defense Technical Information Center) electronic submission resources <http://www.dtic.mil/dtic/submit/electronic/stintredoc.html> or hard copy submission at <http://www.dtic.mil/dtic/submit/howtosubmit/howtosubmit.html>. In addition, monthly status and progress reports may be required by the DoD Component. (Note: DTIC's STINT-TR electronic submission system can save time on repeat preparations and provide feedback.)
- b. **Preparation.**
- (1) If desirable, language used by the company in its Phase II proposal to report Phase I progress may also be used in the final report.
 - (2) For each unclassified report, the company submitting the report should fill in block 12 (Distribution/Availability Statement) of the SF298, "Report Documentation Page" with the following statement: "Distribution authorized to U.S. Government only; Proprietary Information. Other requests for this document shall be referred to the DoD Controlling Office or the DoD SBIR/STTR Program Office." *Note: Data developed under an SBIR/STTR contract is subject to SBIR Data Rights which allows for protection under DFARS 252.227-7018 (see section 5.9 Technical Data Rights). The sponsoring DoD activity, after reviewing the company's entry in block 12, has final responsibility for assigning a distribution statement.*
For additional information on distribution statements see the following Defense Technical Information Center (DTIC) Web site:
<http://www.dtic.mil/dtic/submit/guidance/distribstatement.html>
 - (3) Block 13 (Abstract) of the SF 298, "Report Documentation Page" must include as the first sentence, "Report developed under STTR contract for topic [insert solicitation topic number, Follow with topic title, if possible.]". The abstract must identify the purpose of the work and briefly describe the work carried out, the finding or results and the potential applications of the effort. Since the abstract will be published by the DoD, **it must not contain any proprietary or classified data and type UU in Block 17.**
 - (4) Block 14 (Subject Terms) of the SF 298 must include the term "STTR Report".
- c. **Submission.** The company shall submit FIVE (5) COPIES of the final report on each Phase I project to the DoD in accordance with the Phase I contract and negotiated delivery schedule. The participating DoD Components may require submission of Phase I and/or Phase II final reports through the DoD SBIR/STTR Web site. Delivery will normally be within thirty days after completion of the Phase I technical effort. The company shall, at the same time, submit ONE (1) ADDITIONAL COPY of each report directly to the DTIC (unless instructed otherwise by the sponsoring DoD activity in the Phase I contract), or forward electronically using the DTIC SBIR Technical Reports Submission Toolkit. Do not e-mail.

ATTN: DTIC-OA-SBIR
Defense Technical Information Center
8725 John J Kingman Road, Suite 0944
Ft. Belvoir, VA 22060-6218.

(Or use DTIC electronic submission. DO NOT EMAIL)

If the report is classified, the sponsoring DoD activity will provide special submission instructions. *Note: The sponsoring DoD activity has final responsibility for ensuring that the company or the DoD activity provide DTIC with all applicable Phase I and Phase II technical reports, classified and unclassified, developed under SBIR/STTR contract, per DoD Directive 3200.12 (<http://www.dtic.mil/dtic/pdf/submit/320012p.pdf>).*

5.4 Commercialization Updates in Phase II

If, after completion of Phase I, the contractor is awarded a Phase II contract, the contractor shall be required to periodically update the following commercialization results of the Phase II project through the Web site at www.dodsbir.net/submission:

- a. Sales revenue from new products and non-R&D services resulting from the Phase II technology;
- b. Additional investment from sources other than the federal SBIR/STTR Program in activities that further the development and/or commercialization of the Phase II technology;
- c. Whether the Phase II technology has been used in a fielded DoD system or acquisition program and, if so, which system or program;
- d. The number of patents resulting from the contractor's participation in the SBIR/STTR Program;
- e. Growth in number of firm employees; and
- f. Whether the firm has completed an initial public offering of stock (IPO) resulting, in part, from the Phase II project.

These updates on the project will be required one year after the start of Phase II, at the completion of Phase II, and subsequently when the contractor submits a new SBIR or STTR proposal to DoD. Firms that do not submit a new proposal to DoD will be asked to provide updates on an annual basis after the completion of Phase II.

5.5 Payment Schedule

The specific payment schedule (including payment amounts) for each contract will be incorporated into the contract upon completion of negotiations between the DoD and the successful Phase I or Phase II offeror. Successful offerors may be paid periodically as work progresses in accordance with the negotiated price and payment schedule. Phase I contracts are primarily fixed price contracts, under which monthly payments may be made. The contract may include a separate provision for payment of a fee or profit. Final payment will follow completion of contract performance and acceptance of all work required under the contract. In all cases, Components must make payment to recipients under STTR funding agreements in full, subject to audit, on or before the last day of the 12-month period beginning on the date of the completion of award. Other types of financial assistance may be available under the contract.

5.6 Markings of Proprietary Proposal Information

The proposal submitted in response to this solicitation may contain technical and other data which the proposer does not want disclosed to the public or used by the Government for any purpose other than proposal evaluation.

Information contained in unsuccessful proposals will remain the property of the proposer except for the Proposal Cover Sheet. The Government may, however, retain copies of all proposals. Public release of information in any proposal submitted will be subject to existing statutory and regulatory requirements.

If proprietary information is provided by a proposer in a proposal which constitutes a trade secret, proprietary commercial or financial information, confidential personal information or data affecting the national security, it will be treated in confidence, to the extent permitted by law, provided this information is clearly marked by the proposer with the term "PROPRIETARY" (not "Company Confidential") and

provided that the following legend which appears on the Proposal Cover Sheet (Section 3.3) of the proposal is completed:

"For any purpose other than to evaluate the proposal, the data referenced below shall not be disclosed outside the Government and shall not be duplicated, used, or disclosed in whole or in part, provided that if a contract is awarded to the proposer as a result of or in connection with the submission of this data, the Government shall have the right to duplicate, use or disclose the data to the extent provided in the funding agreement. This restriction does not limit the Government's right to use information contained in the data if it is obtained from another source without restriction. The data subject to this restriction is contained on the pages of the proposal listed on the line below."

Any other legend may be unacceptable to the Government and may constitute grounds for removing the proposal from further consideration and without assuming any liability for inadvertent disclosure. The Government will limit dissemination of properly marked information to within official channels.

In addition, each page of the proposal containing proprietary data which the proposer wishes to restrict must be marked with the following legend:

"Use or disclosure of the proposal data on lines specifically identified by asterisk (*) are subject to the restriction on the Cover Sheet of this proposal."

If all of the information on a particular page is proprietary, the proposer should so note by including the word "PROPRIETARY" (not "Company Confidential") in both the header and footer on that page.

The Government assumes no liability for disclosure or use of unmarked data and may use or disclose such data for any purpose.

In the event properly marked data contained in a proposal in response to this solicitation is requested pursuant to the Freedom of Information Act, 5 USC 552, the proposer will be advised of such request and prior to such release of information will be requested to expeditiously submit to the DoD Component a detailed listing of all information in the proposal which the proposer believes to be exempt from disclosure under the Act. Such action and cooperation on the part of the proposer will ensure that any information released by the DoD Component pursuant to the Act is properly determined.

Classified proposals will not be accepted under the DoD STTR Program. In the event that DoD components identify topics that will involve classified work in Phase II, companies invited to submit a proposal must have or be able to obtain the proper facility and personnel clearances in order to perform Phase II work. For more information on facility and personnel clearance procedures and requirements, please visit the Defense Security Service Web site at: <http://www.dss.mil/index.html>. Click on "How Do I" for information on facility and personnel clearance procedures.

Restrictive notices notwithstanding, proposals and final reports submitted through the DoD Electronic Submission Web site may be handled, for administrative purposes only, by support contractors. All support contractors are bound by appropriate non-disclosure agreements.

5.7 Copyrights

With prior written permission of the contracting officer, the awardee may copyright (consistent with appropriate national security considerations, if any) material developed with DoD support. DoD receives a royalty-free license for the Federal Government and requires that each publication contain an appropriate acknowledgment and disclaimer statement.

5.8 Patents

Small business firms normally may retain the principal worldwide patent rights to any invention developed with Government support. The Government receives a royalty-free license for its use, reserves the right to require the patent holder to license others in certain limited circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must normally manufacture it domestically. To the extent authorized by 35 USC 205, the Government will not make public any

information disclosing a Government-supported invention for a period of five (5) years to allow the awardee to pursue a patent. See also Invention Reporting in section 5.13.

5.9 Technical Data Rights

Rights in technical data, including software, developed under the terms of any contract resulting from proposals submitted in response to this solicitation generally remain with the contractor, except that the Government obtains a royalty-free license to use such technical data only for Government purposes during the period commencing with contract award and ending five (5) years after completion of the project under which the data were generated. This data should be marked with the restrictive legend specified in DFARS 252.227-7018. Upon expiration of the five-year restrictive license, the Government has unlimited rights in the STTR data. During the license period, the Government may not release or disclose STTR data to any person other than its support services contractors except: (1) For evaluational purposes; (2) As expressly permitted by the contractor; or (3) A use, release, or disclosure that is necessary for emergency repair or overhaul of items operated by the Government. See [DFARS clause 252.227-7018](#), "Rights in Noncommercial Technical Data and Computer Software -- STTR Program."

5.10 Research and Analytical Work

For Phase I and II, a minimum of 40% of the research and/or analytical work must be performed by the proposing firm and a minimum of 30% performed by the research institution. The percentage of work is usually measured by both direct and indirect costs, although proposers planning to subcontract a significant fraction of their work should verify how it will be measured with their contracting officer during contract negotiations.

5.11 Contractor Commitments

Upon award of a contract, the contractor will be required to make certain legal commitments through acceptance of Government contract clauses in the Phase I contract. The outline that follows is illustrative of the types of provisions required by the Federal Acquisition Regulations that will be included in the Phase I contract. This is not a complete list of provisions to be included in Phase I contracts, nor does it contain specific wording of these clauses. Copies of complete general provisions will be made available prior to award.

- a. **Standards of Work.** Work performed under the contract must conform to high professional standards.
- b. **Inspection.** Work performed under the contract is subject to Government inspection and evaluation at all reasonable times.
- c. **Examination of Records.** The Comptroller General (or a fully authorized representative) shall have the right to examine any directly pertinent records of the contractor involving transactions related to this contract.
- d. **Default.** The Government may terminate the contract if the contractor fails to perform the work contracted.
- e. **Termination for Convenience.** The contract may be terminated at any time by the Government if it deems termination to be in its best interest, in which case the contractor will be compensated for work performed and for reasonable termination costs.
- f. **Disputes.** Any dispute concerning the contract which cannot be resolved by agreement shall be decided by the contracting officer with right of appeal.
- g. **Contract Work Hours.** The contractor may not require an employee to work more than eight hours a day or forty hours a week unless the employee is compensated accordingly (that is, receives overtime pay).

- h. **Equal Opportunity.** The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
- i. **Affirmative Action for Veterans.** The contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran.
- j. **Affirmative Action for Handicapped.** The contractor will not discriminate against any employee or applicant for employment because he or she is physically or mentally handicapped.
- k. **Officials Not to Benefit.** No member of or delegate to Congress shall benefit from the contract.
- l. **Covenant Against Contingent Fees.** No person or agency has been employed to solicit or secure the contract upon an understanding for compensation except bona fide employees or commercial agencies maintained by the contractor for the purpose of securing business.
- m. **Gratuities.** The contract may be terminated by the Government if any gratuities have been offered to any representative of the Government to secure the contract.
- n. **Patent Infringement.** The contractor shall report each notice or claim of patent infringement based on the performance of the contract.
- o. **Military Security Requirements.** The contractor shall safeguard any classified information associated with the contracted work in accordance with applicable regulations.
- p. **American Made Equipment and Products.** When purchasing equipment or a product under the STTR funding agreement, purchase only American-made items whenever possible.
- q. **Unique Identification (UID).** If your proposal identifies hardware that will be delivered to the government be aware of the possible requirement for unique item identification in accordance with DFARS 252.211-7003.
- r. **Export Control.** The International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export Administration Regulations (EAR), 15 CFR Parts 730 through 799 will apply to all projects with military or dual-use applications that develop beyond fundamental research, which is basic and applied research ordinarily published and shared broadly within the scientific community. NOTE: Export control compliance statements found in the individual component proposal instructions are not meant to be all inclusive. They do not remove any liability from the submitter to comply with applicable ITAR or EAR export control restrictions or from informing the Government of any potential export restriction as fundamental research and development efforts proceed.
More information is available at: http://www.pmdetc.state.gov/regulations_laws/itar.html
- s. **Publication Approval.** Government review and approval will be required prior to any dissemination or publication, except within and between the Contractor and any subcontractors, of classified and non-fundamental information developed under this contract or contained in the reports to be furnished pursuant to this contract.
- t. **Animal Welfare.** Contracts involving research on live vertebrate animals will incorporate DFARS clause 252.235-7002.
- u. **Protection of Human Subjects.** Effective 29 July 2009, contracts that include or may include research involving human subjects in accordance with 32 CFR Part 219, DoD Directive 3216.02 and 10 U.S.C. 980, including research that meets exemption criteria under 32 CFR 219.101(b), will incorporate DFARS clause 252.235-7004.
- v. **E-Verify.** Contracts exceeding the simplified acquisition threshold (\$100,000) may include the FAR clause 52.222-54 "Employment Eligibility Verification" unless exempted by the conditions listed at FAR 22.1803.

5.12 Contractor Registration

Before DoD can award a contract to a successful proposer under this solicitation, the proposer must be registered in the DoD Central Contractor Registration (CCR) database and the Online Representations and Certifications Application (ORCA). The CCR allows Federal Government contractors or firms interested in conducting business with the DoD provide basic information on business capabilities and

financial information. To register, visit www.ccr.gov or call 1-888-227-2423. Follow instructions found on the CCR Web site on how to obtain a Commercial and Government Entry (CAGE) code and Data Universal Numbering System (DUNS) number. Once you have a CAGE code and DUNS number, update your firm profile on the DoD Submission Web site at www.dodsbir.net/submission to automatically print these on your future proposals to expedite the award process.

ORCA is a web-based system that centralizes, standardizes, and moves the collection and storing of contractor representation and certifications online. To register in ORCA visit <http://orca.bpn.gov/>. In addition, offerors may be requested to complete component-specific representations and certifications in the event of selection for award.

5.13 Invention Reporting

SBIR/STTR awardees must report inventions to the awarding agency within two (2) months of the inventor's report to the awardee. The reporting of inventions may be accomplished by submitting paper documentation, including Fax, or through the Edison Invention Reporting System at www.iedison.gov for those agencies participating in iEdison. See www.dodsbir.net/inventionreporting for more details.

5.14 Additional Information

- a. **General.** This Program Solicitation is intended for informational purposes and reflects current planning. If there is any inconsistency between the information contained herein and the terms of any resulting STTR contract, the terms of the contract are controlling.
- b. **Small Business Data.** Before award of an STTR contract, the Government may request the proposer to submit certain organizational, management, personnel, and financial information to confirm responsibility of the proposer.
- c. **Proposal Preparation Costs.** The Government is not responsible for any monies expended by the proposer before award of any contract.
- d. **Government Obligations.** This Program Solicitation is not an offer by the Government and does not obligate the Government to make any specific number of awards. Also, awards under this program are contingent upon the availability of funds.
- e. **Unsolicited Proposals.** Unsolicited proposals will not be accepted under the STTR Program in either Phase I or Phase II.
- f. **Duplication of Work.** If an award is made pursuant to a proposal submitted under this Program Solicitation, the contractor will be required to certify that he or she has not previously been, nor is currently being, paid for essentially equivalent work by an agency of the Federal Government.
- g. **Classified Proposals. Classified proposals are not accepted under the DoD STTR Program.** In the event that DoD Components identify topics that will involve classified work in Phase II, companies invited to submit a proposal must have or be able to obtain the proper facility and personnel clearances in order to perform Phase II work. For more information on facility and personnel clearance procedures and requirements, please visit the Defense Security Service Web site at: <http://www.dss.mil/index.html>. Click on "How Do I" for information on facility and personnel clearance procedures.
- h. **Human/Animal Testing.** Funds cannot be released or used for any portion of the project involving the recruitment of or use of human/animal subjects in the research until all of the proper approvals have been obtained in accordance with applicable regulations (reference Section 2.0 and 3.7).
- i. **Adequate Accounting System:** In order to reduce risk to the small business and avoid potential contracting delays, it is suggested that companies interested in pursuing Phase II SBIR contracts and other contracts of similar size with the Department of Defense (DoD), have an adequate accounting system per General Accepted Accounting Principles (GAAP), Generally Accepted Government Auditing Standards (GAGAS), Federal Acquisition Regulation (FAR) and Cost Accounting Standards (CAS) in place. The accounting system will be audited by the Defense

Contract Audit Agency (DCAA). DCAA's requirements and standards are available at the following DCAA Website: <http://www.dcaa.mil>. Click on "Publications" and then "Information for Contractors."

6.0 SUBMISSION OF PROPOSALS

6.1 Electronic Proposal Submission

Offerors must be registered in the DoD Electronic Submission Web site at: www.dodsbir.net/submission. Each proposal must be prepared and submitted through this Web site and must contain completed:

- Proposal Cover Sheets,
- Technical Proposal,
- Cost Proposal, and
- Company Commercialization Report.

Classified proposals are not accepted under the DoD SBIR/STTR Programs. In the event that DoD Components identify topics that will involve classified work in Phase II, companies invited to submit a proposal must have or be able to obtain the proper facility and personnel clearances in order to perform Phase II work. For more information on facility and personnel clearance procedures and requirements, please visit the Defense Security Service Web site at: <http://www.dss.mil/index.html>. Click on “How Do I” for information on facility and personnel clearance procedures.

For complete electronic proposal submission on the DoD Electronic Submission Web site, first prepare the proposal cover sheets (select "STTR Phase I Proposal Preparation" from the Main Menu). The site will assign the cover sheets a proposal number, which will be used for tracking throughout the submission process. Prepare the technical proposal in a single PDF file, check it for viruses, and upload it to the Submission Web site, following instructions on the Web site. The cost proposal may be submitted either using the on-line form or as the last page(s) of your technical proposal file (unless otherwise specified in the Component's instructions, see Section 8.0). Prepare the Company Commercialization Report (select "Company Commercialization Report" from the Main Menu).

Technical proposals should be a single file, including all graphics and attachments, should have the company name and proposal number (from the cover sheets) in the header, and should be in Portable Document Format (PDF). Offerors are responsible for performing a virus check on each technical proposal prior to uploading. Every uploaded file will be scanned for viruses. If a virus is detected, the file will be deleted and may cause rejection of the proposal.

Once uploaded, the technical proposal file may be viewed or down loaded from the Web site by clicking on the Check Upload button. Offerors are responsible for verifying the technical proposal was received and converted properly. Technical proposals may be uploaded as often as necessary, each time overwriting the file previously submitted. Once a file is overwritten, the previous version is NOT retrievable. Offerors electing to modify their proposals in any way must allow enough time to upload a complete updated proposal. Failure to provide a complete modification by the solicitation closing will render the offeror's proposal as “late” regardless of whether the offeror had previously submitted a complete proposal.

Signatures are not required on the cover sheets, cost proposal, and Company Commercialization Report at the time of submission for electronic submission. If the proposal is selected for award, the DoD Component program will contact you for signatures. Firms are encouraged, but not required, to have a CAGE code and DUNS number at the time of proposal submission; however, firms must obtain these before DoD can award a contract to the firm (see section 5.12).

All completed proposals (i.e., those with complete cover sheets, technical proposal, cost proposal, and Company Commercialization Report) not marked for deletion by the solicitation close deadline are submitted and will be evaluated. There is no “submit” button on the Submission Site for Phase I proposals.

6.2 Deadline of Proposals

Proposals are accepted from February 28, 2011, to March 30, 2011. Deadline for electronic receipt of proposals is 6:00 am EST, March 30, 2011. Complete proposals must be completely submitted to the DoD Submission Web site by the specified closing time. Complete submission means that the entire proposal (including the following four (4) parts: coversheets, technical proposal, cost proposal, and Company Commercialization Report) has been properly completed and fully transmitted to the DoD Submission Web site. The solicitation deadline is firm. As the close date draws near, heavy traffic on the web server may cause delays. Plan ahead and leave ample time to prepare and submit your proposal. Offerors bear the risk of Web site inaccessibility due to heavy usage in the final hours before the solicitation closing time.

In accordance with FAR 52.215-1, offerors are responsible for submitting proposals, and any modification, or revisions, so as to reach the Government office designated in the solicitation by the time specified in the solicitation. Any proposal, modification, or revision received at the Government office designated in the solicitation after the exact time specified for receipt of offers is "late" and will not be considered unless it is received before award is made, the Contracting Officer determines that accepting the late offer would not unduly delay the acquisition; and --

- (1) If it was transmitted through an electronic commerce method authorized by the solicitation, it was received at the initial point of entry to the Government infrastructure not later than 5:00 pm one working day prior to the date specified for receipt of proposals; or
- (2) There is acceptable evidence to establish that it was received at the Government installation designated for receipt of offers and was under the Government's control prior to the time set for receipt of offers; or
- (3) It is the only proposal received.

Acceptable evidence to establish the time of receipt at the Government installation includes documentary evidence of receipt maintained by the installation, or oral testimony or statements of Government personnel.

Offerors are responsible for checking their proposal submission through the DoD Electronic Submission Web site (click on the "Check Proposal" icon to the right of the proposal number) to confirm that the proposal package is complete and readable.

Proposals may be withdrawn by written notice received at any time prior to award. Proposals may also be withdrawn in person by an offeror or his authorized representative, provided his identity is made known and he signs a receipt for the proposal.

Any modification or revision may not make the proposal longer than the applicable page limit (reference paragraphs 3.2 and 3.4; excluding the cost proposal and Company Commercialization Report). Notwithstanding the above, a late modification of an otherwise successful proposal which makes its terms more favorable to the Government will be considered at any time it is received and may be accepted.

6.3 Notification of Proposal Receipt

The DoD Submission website will provide offerors a printable confirmation of successful proposal submission upon upload completion. Offerors are encouraged to print and retain a copy of this proposal receipt confirmation for their records.

6.4 Information on Proposal Status

Evaluation of proposals and award of contracts will be expedited, but no information on proposal status will be available until the final selection is made. However, contracting officers may contact any and all qualified proposers prior to contract award. Proposers will be notified by the Component to which they submitted their proposal whether their proposal has or has not been selected for award. Selections are posted on the DoD SBIR/STTR Web site and Resource Center Web site approximately six (6) months after the solicitation close date.

6.5 Debriefing of Unsuccessful Offerors

An unsuccessful offeror that submits a written request for a debriefing within 30 days of being notified that its proposal was not selected for award will be provided a debriefing. Please note that some component-unique debriefing processes exist; in those cases, the component debriefing instructions supersede instructions provided here. The written request should be sent to the DoD organization that provided such notification to the offeror. Be advised that an offeror that fails to submit a timely request is not entitled to a debriefing, although untimely debriefing requests may be accommodated at the Government's discretion.

6.6 Correspondence Relating to Proposals

All correspondence relating to proposals should cite the STTR solicitation number, proposal number, and specific topic number and should be addressed to the DoD Component whose address is associated with the specific topic number.

7.0 SCIENTIFIC AND TECHNICAL INFORMATION ASSISTANCE

7.1 DoD Technical Information Services Available

The Defense Technical Information Center (DTIC) provides background technical information services, to assist SBIR/STTR participants in proposal preparation, product development, marketing and networking.

The DTIC SBIR/STTR Web site provides the following free services at <http://www.dtic.mil/dtic/aboutus/dodprograms/sbir.html>:

1. **DTIC Online and Private STINET:** Access DTIC's online technical databases including full-text (downloadable at no cost) documents added since 1998.
2. **Technical Reports:** Purchase older hard copy (many less than \$10) technical reports using a major credit card.
3. **TRAIL:** Subscribe to this free alerting service providing biweekly e-mail listings of new DTIC accessions matching DTIC subject categories and including links to full-text documents.

The Defense Technical Information Center (DTIC) <http://www.dtic.mil/>, is a Department of Defense Field Activity within the Office of the Director, Research and Engineering (DDR&E), and a major component of the DoD scientific and technical information program. DTIC makes available technical information <http://www.dtic.mil> resulting from DoD-funded research and development. DTIC also provides access to technology focused specialized information services, including: DTIC-A San Diego <http://www.dtic.mil/dticasd>, which is the focal point for research information on manpower, training systems, human performance, and human factors human systems; and the Information Analysis Centers (IACs) <http://iac.dtic.mil>, which are the DoD centers of expertise concerned with engineering, technical and scientific documents and databases worldwide.

Call DTIC (or visit by prearrangement at the location most convenient to you).

Defense Technical Information Center

Ft. Belvoir, VA

Ph: (800) 363-7247

Fax: (703) 767-8228

E-mail: sbir@dtic.mil

Web site: <http://www.dtic.mil/dtic/aboutus/dodprograms/sbir.html>

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DTIC Midwestern Regional Office
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DTIC Western Regional Office
Los Angeles, CA
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Fax: (310) 653-2159
E-mail: losangeles@dtic.mil

Many topic descriptions in the solicitation contain references to technical literature or military standards, which may be accessed as follows:

Search for References with "AD" numbers, then download or purchase in hard copy (registration required) in the online technical database (<http://www.dtic.mil>). Find additional technical information using your registration password and login. Registration site:

- Registration form: <https://register.dtic.mil/wobin/WebObjects/DTICreg>
- Without an award/contract number/grant number, use these instructions: <http://www.dtic.mil/dtic/registration/contractors/sbirreg.html>

For DTIC SBIR assistance call (800) DoD-SBIR (800-363-7247) or e-mail sbir@dtic.mil.

Other useful information:

- Search for "MIL-STD" numbers at http://www.assistdocs.com/search/search_basic.cfm (Department of Defense Single Stock Part for Military Specifications, Standards, and Related Publications) or at <http://dodssp.daps.dla.mil>
- Find other references in your local library (may require interlibrary borrowing) or as specified in the reference. Check SITIS at www.dodsbir.net/sitis for additional availability information, documentation and changes.

7.2 State and Other Assistance Available

Many states have established programs to provide services to those small firms and individuals wishing to participate in the Federal SBIR/STTR Program. These services vary from state to state, but may include:

- Information and technical assistance;
- Matching funds to SBIR/STTR recipients;
- Assistance in obtaining Phase III funding.

Contact your State STTR Support office at www.ed.gov/offices/OERI/SBIR/statelink.html for further information.

Small Businesses may seek general administrative guidance from small and disadvantaged business utilization specialists located in various [Defense Contract Management](#) activities throughout the continental United States.

8.0 TECHNICAL TOPICS

Section 8 contains detailed topic descriptions outlining the technical areas in which DoD Components request proposals for innovative R&D from small businesses. Topics for each participating DoD Component are listed and numbered separately.

It is a DoD goal to have at least 50% of the Military Services topics authored by a DoD acquisition program (e.g., New Attack Submarine, Abrams Tank) or of significant interest to such a program, as noted in the text of the topic. These acquisition programs are potentially important end customers for innovative new products resulting from SBIR/STTR projects. Information on how to contact these programs is posted on the DoD SBIR/STTR Web site and Resource Center at: www.dodsbir.net/liaisons.htm.

Each DoD Component Topic Section contains topic descriptions, addresses of organizations to which proposals are to be submitted, and special instructions for preparing and submitting proposals to organizations within the Component. Read and follow these instructions carefully to help avoid administrative rejection of your proposal.

<u>Component Topic Sections</u>	<u>Pages</u>
Army	ARMY 1-58
Navy.....	NAVY 1-69
MDA	MDA 1-12